



Maryland

Department of the Environment

Larry Hogan, Governor
Boyd K. Rutherford, Lt. Governor

Ben Grumbles, Secretary
Horacio Tablada, Deputy Secretary

June 14, 2021
Mr. Joseph J. Siemek, P.E.
Director of Public Works
Harford County
212 South Bond Street, 3rd Floor
Bel Air, MD 21014

Dear Mr. Siemek:

This letter acknowledges the Maryland Department of the Environment's (Department) receipt of Harford County's 2020 Financial Assurance Plan (FAP), and 2020 Watershed Protection and Restoration Program (WPRP) Annual Report as required by the Annotated Code of Maryland. This FAP submission includes information on the cost of compliance with the impervious surface restoration plan (ISRP) requirements outlined in the County's National Pollutant Discharge Elimination System (NPDES) Phase I Municipal Separate Storm Sewer System (MS4) permit.

The ISRP, when sufficiently funded, is essential for restoring local water quality and the Chesapeake Bay, and providing climate resiliency in the County's watersheds. The FAPs are sufficient if they demonstrate that the County has the dedicated revenues, funds, or sources of funds to meet, for the 2-year period immediately following the filing date of the FAP, 100% of the projected costs of compliance with the ISRP requirements of the County's MS4 permit.

After reviewing Harford County's 2020 FAP, the Department has determined that the County has demonstrated that it has sufficient funding in its FAP. The Department has provided more detailed comments in an attachment for the County's information and use. The County's next WPRP Annual Report will be due in coordination with its next MS4 Annual Report, and its FAP will be due in coordination with the 2022 MS4 Annual Report.

The Department recognizes the substantial effort required in developing these FAPs and WPRP Annual Reports, and looks forward to working with Harford County on this very important environmental program for improving water quality, stormwater management, and climate resiliency. If you have any questions regarding this review, please contact me at 410-537-3567 or Jennifer M. Smith at 410-537-3561, or jenniferm.smith@maryland.gov.

Sincerely,

D. Lee Currey, Director
Water and Science Administration

cc: Jennifer M. Smith, P.E., Program Manager, Sediment, Stormwater, and Dam Safety Program
Christine Buckley, Harford County Department of Public Works

Attachment

**Maryland Department of the Environment (Department) Review of
Harford County's 2020 Financial Assurance Plan (FAP)**

Plan Condition	MDE Assessment and Recommendations
<p>Demonstration of Sufficient Funding</p>	<ul style="list-style-type: none"> • Annotated Code of Maryland ENV § 4-202.1(j) requires Phase I Municipal Separate Storm Sewer System (MS4) permitted jurisdictions to submit the FAP every two years on the anniversary date of MS4 permit issuance. Harford County submitted an approved FAP on December 30, 2021 meeting State requirements. • Harford County held the required public hearing on December 8, 2020. • The County submitted County Council Resolution NO. 027-20 approving the County's FAP. • Harford County's permit expired on December 29, 2019. The County's FAP demonstrates sufficient funding to complete 118% of the projected two-year ISRP costs (i.e., \$25.5M in revenue versus \$21.6M in cost).
<p>Actions to Meet Permit Requirements ("All Actions" worksheet)</p>	<ul style="list-style-type: none"> • The County completed all required fields. The County's FAP submission in the FY2020 annual report did not include an executive summary. However, a narrative was included with the proposed FAP presented to the County Council for approval that is available online. In future FAP submissions, the Department requests that the County submit an executive summary to the Department with the Excel worksheet. • The County provided specific types of best management practices (BMPs) in the "All Actions" worksheet. The worksheet includes BMPs expected to be completed between FY2020 and FY2025. All BMPs chosen by the County are approved in the Department's Accounting Guidance. Some stormwater retrofits are not assigned one specific BMP type, but include a list of potential conversion options. Specific BMP types should be assigned when that information becomes available. • Six capital projects were labeled as completed in FY2020 and included in the "All Actions" worksheet. A footnote stated that costs and impervious acres are preliminary. In addition, FY2020 and future stormwater retrofits did not include a specific BMP type and instead listed "PMED/PWED/WEDW/WSHW" as the BMP type. In future FAP submissions, the Department requests the County ensure that the status of the BMPs in the "All Actions" worksheet accurately reflects the stage of construction, to identify the specific BMP type for completed and projected projects, and to list completed projects in the "Spec Actions" worksheet. • The County is projected to complete 318 acres of new restoration in the next two years and 888 acres over the next five years. The 150 restored equivalent impervious acres of septic pumping reported in the "All Actions" table under operational BMPs represent annual operations that must be continued to maintain compliance with the administratively continued permit. • Formulas for two-year, five-year, and all-year sum totals are correct. The all-year subtotals in the "All Actions" worksheet included the correct subtotals for impervious acres restored from the Specific Actions worksheet.

The Department's Review of Harford County's 2020 FAP

Plan Condition	MDE Assessment and Recommendations
<p>Actions to Meet Permit Requirements (Cont.)</p>	<ul style="list-style-type: none"> • The “All Actions” worksheet includes 185 acres restored through nutrient trading. The Department requests clarification on whether this number reflects the nutrient trade balance left between the 1,215 acres restored through trading to meet the previous permit’s requirements and the projected restoration from planned BMPs over the next five years. This balance would indicate that the County’s planned BMPs through 2025 do not restore a sufficient equivalent impervious acres to replace the prior permit’s trades in their entirety. The Department recommends that the County review additional opportunities and funding mechanisms to fill the restoration gap in preparation for new permit requirements. • The County’s implementation of stream restorations from the “Spec Actions” worksheet (FY2009-FY2020) is comparable to projected implementation in the “All Actions” worksheet (FY2020-FY2025), i.e., approximately two thirds of restoration BMPs are stream restorations. There has been a slight increase in retrofits of existing structural stormwater management facilities between past implementation (7%) and projected implementation (17%).
<p>Annual and Projected Costs (“All Actions” and “ISRP Costs” worksheet)</p>	<ul style="list-style-type: none"> • The data are complete for annual and projected costs for FY2020 through FY2025. • The cost per acre for capital projects in the “Spec Actions” worksheet is \$17,601 (FY2009-FY2020). In the “All Actions” worksheet, the cost per acre for capital projects for the next two years is \$40,037 (i.e., 127% increase). • Including no-cost operational BMPs (i.e., septic pumping) and nutrient trading, the restoration cost per acre in the “Spec Actions” worksheet is \$6,644. • The “All Actions” cost for FY2021-FY2022 is \$12,712,000 while the reported ISRP Cost for the same period is \$21,662,063.
<p>Annual and Projected Revenues (“ISRP Revenue” worksheet)</p>	<ul style="list-style-type: none"> • The data are complete for annual and projected revenues for FY2020 through FY2025 and the worksheet formulas are correct. • The reported ISRP revenue equals the percent of funds directed toward the ISRP. • The reported revenue for the next two fiscal years exceeds the reported cost for the next two fiscal years (i.e., 118% of the cost).
<p>Funding Sources (“Fund Sources” worksheet)</p>	<ul style="list-style-type: none"> • The data are complete for applicable sources of funds for FY2020–FY2025 and the worksheet formulas are correct. • Sources of funds for the next two years include: <ul style="list-style-type: none"> ○ General Fund: \$1.9M ○ General Obligation Bonds: \$13.4M ○ State Grants: \$7.8M ○ Recordation Tax: 3.6M

The Department’s Review of Harford County’s 2020 FAP

Plan Condition	MDE Assessment and Recommendations
<p>Funding Sources (Cont.)</p>	<ul style="list-style-type: none"> ○ Federal Grants: \$0.2M ○ Total Funding Sources: \$26.9M ● The largest sources of funds are general obligation bonds, representing 50% of all funding sources for FY2021-FY2022. The second largest source of funds is state-funded grants at 29% of the total funding sources. ● The total sources of funds for each fiscal year exceed the annual revenue appropriated for ISRP (i.e., appropriated annual ISRP revenue is 95% of the funding sources). ● The total funds directed toward the ISRP for FY2021-FY2022 equals the annual revenue appropriated for ISRP (i.e., \$25,522,938).
<p>Specific Actions and Expenditures from Previous Fiscal Years (“Spec Actions” worksheet)</p>	<ul style="list-style-type: none"> ● The “Spec Actions” worksheet includes the completed restoration projects and nutrient trading completed to fulfill the administratively continued permit’s restoration requirement. The next FAP’s specific actions will require the BMPs completed to meet new requirements under a reissued permit. BMPs used to meet the expired permit’s requirements should not be included. ● The reported BMPs are site specific as required and the formulas in this worksheet are correct. BMPs are not duplicated in the “All Actions” worksheet. ● In the “Spec Actions” worksheet, no costs were reported for septic practices. If a project has no cost, the County needs to include the reason (e.g., property owner expense, grant funded). The executive summary indicates that septic programs are partially funded with Bay Restoration Funds and the County’s Office of Watershed Protection and Restoration. ● One BMP had a discrepancy between Restoration ID and BMP Type (i.e., new bioretention facility was labeled STRE).